INTESA SANPAOLO

PRESS RELEASE

Pension reform

INTRODUCING *FINANZIAMENTO TFR* FOR COMPANIES

- **Advances and fully covers the outflow of TFR (Employee Severance Indemnity) estimated for the next three years**
- **A group of specialists provide the company with consulting on all legal requirements and opportunities of Italian pension reform**

Milan, 1 March 2007 – Intesa Sanpaolo offers companies a loan which covers the outflow of TFR (Employee Severance Indemnity) following the new regulations introduced in Italy's 2007 Budget. This product has been developed for companies in various production sectors, which will be faced with an outflow of cash as a result of their employees choosing to transfer their TFR to complementary pension plans or, alternatively, the transfer to INPS (Italian National Social Security Institution) for management of the TFR that employees choose not to transfer to complementary pension plans.

The instrument created by Intesa Sanpaolo fully compensates the loss of TFR cash flows, which have until now provided a primary source of self-financing for companies, and immediately covers the outflows estimated for the next 3 years, including the current year. The loan is granted based on a three-year estimate (2007-2009) of outflows provided by the company, for a maximum amount of € 3 million. At the beginning of the year, the bank provides the amount corresponding to the estimated needs. Verification of the effective disbursement will be carried out at the end of the period. These loans may be disbursed in one, two or three instalments, depending on the number of financial years financed. For each disbursement, an amortisation period is provided which varies from 36 to 60 months.

The bank's goal is to guarantee companies a source of flexible financing, which can be obtained with a short turnaround period: it is not necessary to provide a guarantee requiring a public deed. The intervention of a Surety Association on Bank Loans allows for reducing the repayment costs.

In addition to the allocation of TFR, the new issues regarding pension planning that companies must now face require qualified, complete consulting, specifically with regard to the possibility of creating a collective open pension fund for its employees (also in the presence of a pension fund created through a national collective labour agreement). This is one of the main advantages offered by the reform, as it can provide the company with significant benefits in terms of increasing employee loyalty, simplifying administrative procedures (compared to the dispersion of TFR funds into various types of pension plans) and obtaining tax and social security incentives. For this purpose, Intesa Sanpaolo provides a group of specialists, operating throughout Italy, to support companies in the activation of the fund, including providing information to employees.

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